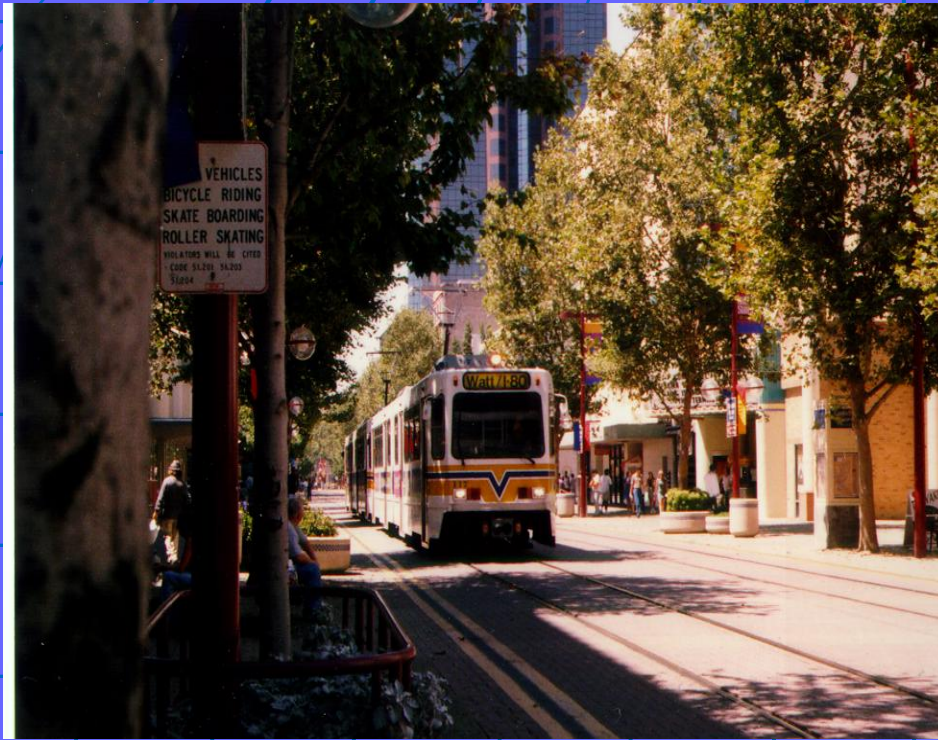


In Search of the “Transit” in Transit Oriented Development



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**Presentation at “Partnerships in Transit”
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The Promise of TOD

- **Support conditions favorable to transit use**
- **Support land development at urban densities and uses**
 - Increases the value of land
- **Create an alternative revenue stream for new infrastructure projects**
 - Transit
 - Roads and highways
- **Improve equity by providing a mechanism for beneficiaries of transit services to help pay for the costs**
- **Improve efficiency by helping to prioritize projects and concentrate benefits.**

We know the successes...



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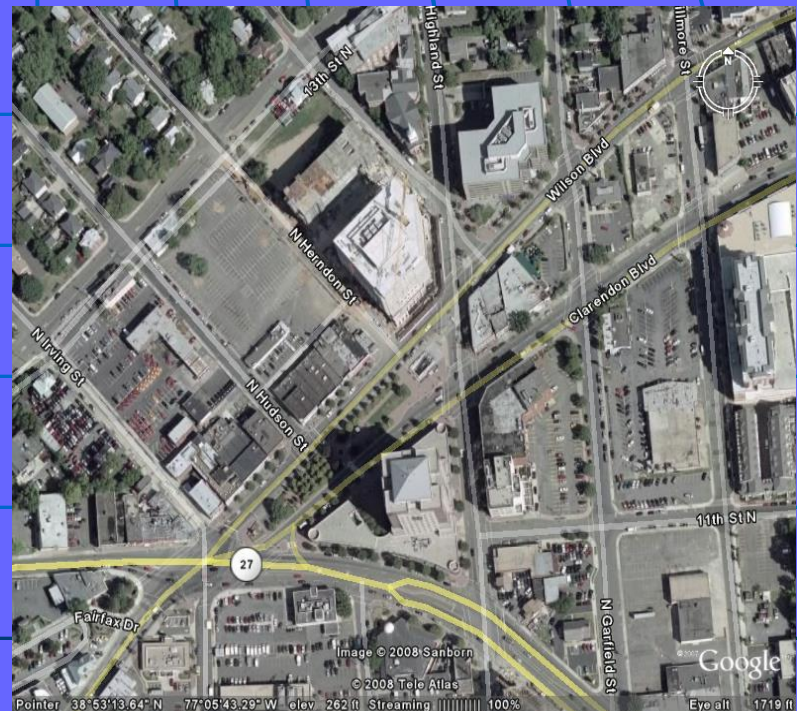
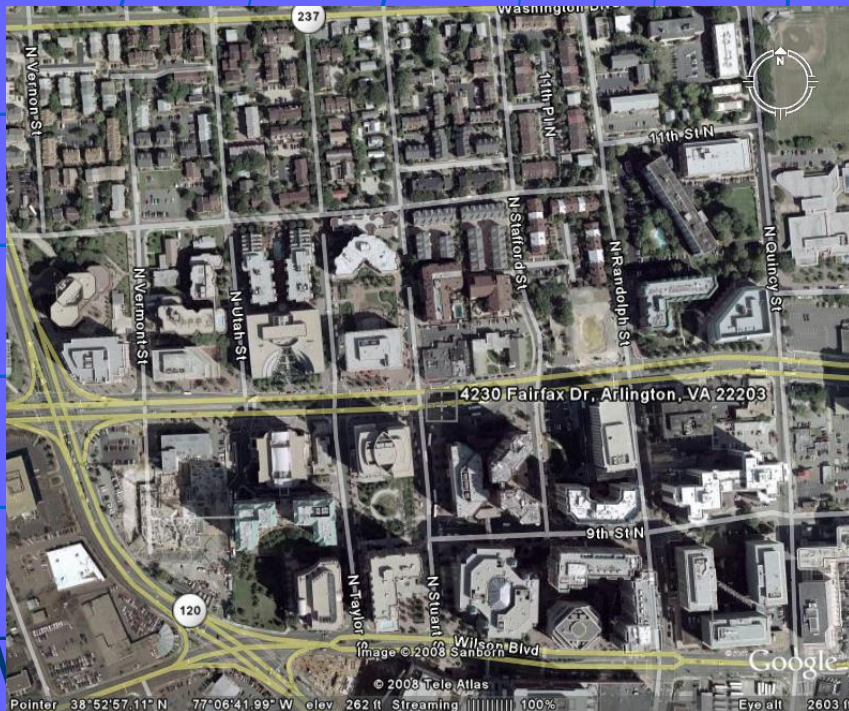
But, what about the ne'er do wells and failures?



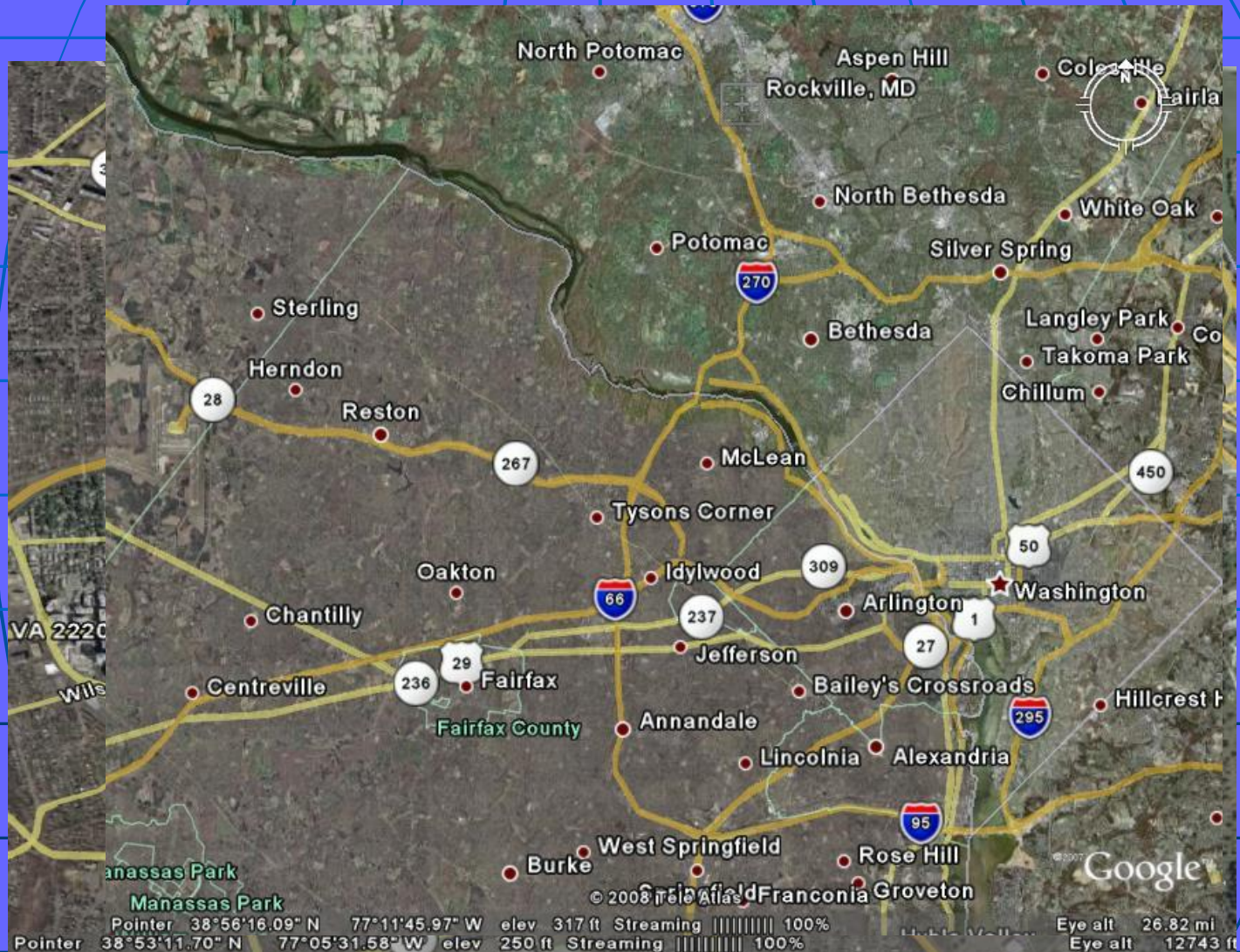
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Ballston vs. Clarendon



Context is Important to TOD Success



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Transit Ridership and Investment Around DART Stations: 1999-2005

<u>Station</u>	<u>Investment</u> (thousands \$)	<u>Transit Ridership</u> (annualized, unlinked)
Park Lane	\$610,000	26,219
Mockingbird	\$270,000	38,859
Plano (downtown)	\$260,000	8,890
Galatyn Park	\$141,300	3,983
Cedars	\$134,200	13,002
Convention Center	\$130,000	9,881
City Place	\$115,000	25,831
Pearl	\$100,000	27,444
Arapaho	\$70,000	16,696
Westmoreland	\$50,000	30,316
VA Medical Center	\$39,000	26,868

The Logic of TOD

- **Density (Benefits)**
 - Population
 - Mixed use
 - Employment
- **Congestion (Costs)**
 - Degraded mobility for non-transit modes
 - No reasonable prospect for improvement
- **Effective and reliable transit service**
 - But this alone won't be enough to secure the benefits of TOD for the private sector

Challenges for Using Value Capture to Finance New Transit Infrastructure

■ Economic context

- When is a public good *not* a public good?
- Can “value capture” be used to fund new infrastructure?

■ Apportioning cost

- How much does the transportation improvement contribute to the increase in land value?
- What portion of the cost should the local area pay?
- When does subsidy (community financing) make sense?

■ Politics

■ Appraisals

- Land vs. building

A Few Rules of the Road

- **Success depends on economic conditions**
 - Good planning enables markets to capitalize market values, but does not create the value
- **Property values increase when travel efficiencies (benefits) are tangible and measurable**
 - “generalized travel costs” fall
- **Transit, highways are mechanisms for providing transportation benefits, not ends in themselves**
- **Market conditions that lead to the success of value capture differ depending on the technology**